



CAMBIAR
AGGRESSIVE VALUE ETF
COMMENTARY
4Q 2025

MARKET REVIEW

U.S. equities closed out 2025 on a high note, with market averages notching their third consecutive quarter of positive returns. After a slow start to the year, stocks were on an upward trajectory for the remainder of 2025, as the S&P 500 Index closed just shy of all-time highs with a full-year return of 17.9% (including a 2.7% gain in the fourth quarter).

The fourth quarter saw a reversal in the growth > value trade, as traditional value sectors such as Healthcare and Financials performed well while the Mag7 cohort largely lagged (with Alphabet an upside exception). Small cap stocks (as represented by the Russell 2000) trailed their larger cap counterparts for the year, while still posting a respectable gain of 12.8% in 2025 (2.2% return in 4Q).

We entered 2025 at elevated valuations, with the S&P 500 trading at ~22x P/E (one-year forward). Yet, except for the Deepseek moment in January and the tariff tantrum in April, the rise in equities was virtually unabated over the course of the year. The S&P 500 is now trading at ~24x – again, a lofty starting point entering the new year. Whether the market can continue to surprise to the upside or give way to financial gravity is a key question for 2026.

AN IMPRESSIVE RUN FOR THE S&P 500 INDEX

Since 1957, the S&P 500's average annual return has been 10.5%. The 17% return for the index in 2025 marks the third consecutive year (and six out of the past seven) of above-normal returns. Investors have understandably come to expect double-digit gains as the norm rather than the exception.

Yet to what extent are these outsized returns a pull-forward phenomenon – such that future returns are bound to disappoint? Given valuations, aggregate index gains from current levels will likely be more a function of earnings growth vs. multiple expansion. A reasonable forecast may be range-bound returns for the index, while more opportunities exist below the surface...an attractive backdrop for active management.

A comment on the AI trade, as this has been a key upward driver for equities. For much of the past few years, the market has priced in a near-flawless AI future, with almost all market participants tied to AI seeing stock price appreciation. Sentiment is now beginning to shift among tech leaders, as investors become more

Diversification does not protect against market loss.

scrutinizing as the cycle matures. Within the Mag7, only two out of the seven outperformed the S&P in 2025 (Alphabet and Nvidia). While capital spending on data centers and related investments is expected to remain robust, the associated impact on corporate balance sheets is giving investors pause. After indiscriminately bidding up companies across the AI stack, the market is now more discerning, seeking greater clarity on how/when today's investments will translate into future financial returns. Given the increased use of debt to finance AI capex plans, any tightening of credit conditions would be another cautionary signal.

CAMBIAR AGGRESSIVE VALUE

The Cambiar Aggressive Value ETF (CAMX) registered a positive gain for the fourth quarter, while trailing the strategy's assigned benchmark. Highlights in the quarter included positive stock selection in Financials and Consumer Staples, as well as an overweight allocation to Healthcare (the top-performing sector for the period). These positive return drivers were offset by weaker performance within Technology and Communication Services. Looking ahead, we remain constructive on the earnings trajectory and associated return potential for our companies in 2026.

The equity market saw a rotation of capital in the quarter, as investors bid up economically sensitive businesses and companies with improving earnings visibility. While growth stocks once again outperformed on a full year basis, leadership was more balanced in 4Q, with classic value sectors such as Industrials, Financials, and Healthcare leading the way. Dispersion across sectors and individual stocks remains elevated, reinforcing the importance of active security selection.

Equity returns within the large cap value space were bifurcated for the year, as procyclical/AI beneficiary sectors such as Industrials, Technology, and Communication Services performed well, while defensives (e.g., Consumer Staples, Healthcare, Real Estate) lagged. Against this backdrop, Cambiar's reduced exposure to 'offense' (e.g., Technology and Financials) and higher allocations to Healthcare and Energy subsequently contributed to the strategy's relative underperformance in 2025.

As always, Cambiar is investing in a market of stocks, not a stock market. The equity landscape remains a diffuse, target-rich environment, and while valuations appear elevated in pockets such as the AI capex trade, our team continues to maintain a robust library of companies that meet our Quality | Price | Discipline

criteria. Portfolio construction remains an exercise in conviction and selectivity, while also seeking a level of prudent diversification and varying return drivers.

Trade activity in the quarter consisted of two new buys, three liquidations, and incremental add/trims to existing positions. Purchases in the quarter were Honeywell and Masco, two high quality businesses that are trading at what we view to be attractive valuations and possess various upside catalysts. It is also worth noting that both companies reside well outside of AI/technology vertical.

We were encouraged by the improved sentiment toward Healthcare in the quarter, as our overweight allocation to the sector (21% vs. 13% in the benchmark) limited the portfolio's upside participation for much of 2025. Align Technology and Bristol-Myers were two individual outperformers, gaining 25% and 21%, respectively. Even after accounting for their recent gains, both companies continue to offer compelling return opportunities. With an increasing number of companies approaching the upper end of their long-term valuation range, Bristol-Myers is trading at a one-year forward P/E of 9x – a deep discount to both the pharma sector and overall equity market. While some of BMY's low valuation can be attributed to patent cliffs (e.g., Revlimid and Eliquis), their newer growth portfolio of drugs is performing well (now representing over 50% in sales). Positive readouts in cardiology, neuroscience, and oncology (all expected in 2026) would provide additional out-year earnings upside for the stock.

Stock selection within the Tech sector detracted from results in both the quarter and on a full-year basis. The market continues to bid up semiconductor companies tied to the buildout of data centers; Cambiar's semi positions (Texas Instruments and NXP) are geared to autos and industrial content. The recovery in these varying end markets is taking place, but at a more uneven pace. For example, Texas Instruments incurred a bulge in orders earlier in the year as companies attempted to front-run tariffs. The company is now working to balance inventories ahead of the next up cycle. We continue to work with a \$10 out-year EPS estimate, which results in an attractive risk/reward as conditions normalize.

LOOKING AHEAD

As we enter 2026, there is no shortage of big-picture questions to ponder: Can massive AI capex translate into productivity gains as expected? How will a new Fed Chair impact the term structure for bond yields? What

is the outlook for inflation and the jobs market? With so many cross-currents to consider, a quote from broadcast journalist Edward Murrow comes to mind: "Anyone who isn't confused really doesn't understand the situation".

The above questions make for thought-provoking conversations but are not overly top-of-mind considerations for the Cambiar team. In large part, we believe that stock prices follow earnings; as such, our efforts are more focused on getting our companies' earnings right.

While autopilot (i.e., passive investing) may have been the correct path in recent years, we believe the potential for increased turbulence warrants an active approach that can potentially provide two-sided alpha – i.e., what you own as well as what you avoid. Our relative value discipline seeks to participate in up markets, while also providing a margin of safety in drawdowns. We would not be surprised if both market scenarios occur in 2026.

Cambiar's outlook is best described as cautiously optimistic, with a strong dose of selectivity. We continue to seek out well-managed companies that possess strong balance sheets, steady margin/return profiles, and durable competitive advantages. We then want to buy these great businesses at a great price; i.e., valuation remains a paramount input to the buy decision. Lastly, we want to hold these 25-30 high conviction positions in a diversified portfolio that balances opportunity/upside with prudent diversification and risk management.

Despite the recent performance setback, we remain constructive on the earnings outlook and associated risk/reward for our companies. Our team remains focused on our core objective of providing attractive risk-adjusted returns by buying quality, wide-moat businesses that are trading at reasonable valuations. This last piece – valuation – seems to be an increasingly overlooked consideration for investors that are more focused on chasing upside in today's market. The Aggressive Value ETF is currently valued at a meaningful discount to the broader market, offering both upside potential as well as the potential for downside protection should we see increased volatility in risk assets.

Thank you for your continued confidence in Cambiar Investors.

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PERFORMANCE (as of 12.31.2025)

	4Q 2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
CAMX - NAV	2.55%	9.38%	13.97%	9.25%	6.30%	7.68%	2.55%
CAMX - Market Price	2.55%	9.49%	13.99%	9.26%	6.31%	7.68%	2.55%
R1000V	3.81%	15.91%	13.90%	11.33%	10.53%	7.77%	3.81%

Inception Dates: CAMX (2.13.2023). All returns greater than one year are annualized. Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal will fluctuate so that an investor's shares when redeemed may be worth more or less than the original cost. Extraordinary performance is attributable in part due to unusually favorable market conditions and may not be repeated or consistently achieved in the future. The Fund's most recent month-end performance can be found in the fund material section. As of 3/31/25, expense ratio for CAMX: 0.59%.

Effective as of the close of business on February 10, 2023, in a tax-free reorganization, the Fund acquired the assets and liabilities, and assumed the performance, financial, and other historical information of the Cambiar Aggressive Value Fund ("predecessor fund"), an open-end mutual fund which was inceptioned on August 31, 2007. The Fund has an identical investment objective and similar investment policies, guidelines, restrictions, and investment risks as the predecessor fund. The NAV returns for relevant periods include returns for Investor Class shares of the predecessor fund prior to the Fund's commencement of operations. Performance for the Fund's shares has not been adjusted to reflect the lower annual expenses than those of the predecessor fund. The market price returns showing prior to February 13, 2023, reflects the predecessor mutual funds' NAV. The NAV of the predecessor mutual fund was the investor class and is used as proxy for the market price returns. Please refer to the current prospectus for further information."

Returns for less than one year are not annualized. Net asset value ("NAV") returns are based on the dollar value of a single share of the ETF, calculated using the value of the underlying assets of the ETF minus its liabilities, divided by the number of shares outstanding. The NAV is typically calculated at 4:00 pm Eastern time on each business day the New York Stock Exchange is open for trading. Market returns are based on the trade price at which shares are bought and sold on the NYSE Arca, Inc. using the last share trade or, if the official closing price isn't available, the midpoint between the national best bid and national best offer ("NBBO") as of the time the ETF calculates current NAV per share. Market performance does not represent the returns you would receive if you traded shares at other times. Total Return reflects the reinvestment of distributions on ex-date for NAV returns and payment date for Market Price returns. The market price of the ETF's shares may differ significantly from their NAV during periods of market volatility.

IMPORTANT INFORMATION

To determine if a Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and other information can be found in the Fund's summary or full prospectus, which may be obtained by calling 1-866-777-7227 or by visiting our website at www.cambiar.com. Please read the prospectus carefully before investing.

Risk Disclosures

Investing involves risk, including the possible loss of principal. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging Markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses. With short sales, you risk paying more for a security than you received from its sale. Short sales losses are potentially unlimited and the expenses involved with the shorting strategy may negatively impact the performance of the Fund. The Cambiar Aggressive Value ETF is a non-diversified fund. The Fund pursues a "value style" of investing. Value investing focuses on companies whose stock appears undervalued in light of factors such as the company's earnings, book value, revenues or cash flow. If the Adviser's assessment of market conditions, or a company's value or prospects for meeting or exceeding earnings expectations is inaccurate, the Fund could suffer losses or produce poor performance relative to other funds or market benchmarks. The Fund may trade securities actively, which could increase its transaction costs (thereby lowering its performance) and could increase the amount of taxes you owe by generating short-term gains, which may be taxed at a higher rate. There is no guarantee that the Fund will meet its stated objectives.

The Russell 1000 Index is an index of approximately 1,000 of the largest companies in the U.S. equity market. The Russell 1000 is a subset of the Russell 3000 Index. It represents the top companies by market capitalization. The Russell 1000® Value Index measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

As of 12.31.25, the Cambiar Aggressive Value ETF had a 3.6% weighting Align Technology, 3.2% in Alphabet, 3.9% in Bristol-Myers, 4.4% in Honeywell, 3.8% in Masco, 0.0% in Nvidia, 3.9% in NXP, and 4.2% in Texas Instruments. Current and future holdings subject to risk.

This material represents the portfolio manager's opinion and is an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice or a specific recommendation of securities. There is no guarantee that any forecasts made will come to pass.

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